



Land Use and Planning Report

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A COST OF COMMUNITY SERVICES STUDY OF PENNINGTON COUNTY, SOUTH DAKOTA

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Introduction

Population Growth and Development in Pennington County

Pennington County is the second most populous county in South Dakota. The population has grown by 8.7% since 2000 and is expected to grow another 6.0% by the year 2020, higher growth rates than both the state of South Dakota and the United States (U.S. Census Bureau; Rural Life Census Data Center). Population growth and other demographic trends are often important in terms of community and economic planning.

Local governments oftentimes have difficulty financing their services, and local officials often believe that the solution to their government's financial difficulties lies in development (Dorfman and Nelson, 2001). However, a growing body of empirical evidence shows that while commercial and industrial development can improve the financial well-being of a local government, residential development typically worsens it. The problem is that, while residential development brings with it new tax (and fee) revenue, it also brings demand for local government services.

COCS studies involve reorganizing a local government's financial records in order to assign the revenues and costs of public services to different classes of land use. The resulting totals for revenues generated and expenditures incurred can be presented as a ratio of expenditures-to-revenues for different land use types.

This report explores the cost of community services associated with different categories of land use in Pennington County, SD. An accompanying economic base report by Cline et al. (2009) provides demographic information and basic economic analysis for Pennington County. An accompanying economic base report and COCS study for Custer County, SD provide a point of reference and comparison. These are the first COCS studies to be performed in South Dakota.

Overview of COCS Studies

COCS studies typically begin by separating land into three categories: residential, commercial/industrial, and farm/open space. Next, the proportion of a county's annual revenue generated by each land type is approximated. In this context, revenue sources include taxes, fees from licenses and permits, service charges,

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and fines, as well as state and federal grants. The proportion of the county's expenditures demanded by each land type is similarly approximated. Expenditure categories typically include government administration, law enforcement, health and welfare services, highway maintenance, etc.

Finally, the expenditures for each land type are divided by the revenues generated by that land type, yielding a set of COCS ratios. These ratios compare how many dollars worth of county government services are demanded for each dollar collected. A ratio greater than 1.0 suggests that for every dollar of revenue collected from that category of land, more than one dollar is spent; in other words, the community is subsidizing that land use. In contrast, a ratio of less than 1.0 implies that the revenues generated by that land use exceed the cost of services demanded by it. In other words, the land use is thus a net contributor to community coffers.

Many of the early studies providing estimates of COCS ratios were either sponsored or conducted by the American Farmland Trust. But in recent years researchers from a variety of backgrounds have undertaken such studies (Prindle and Blaine, 1998). Regardless of who conducted the research, the results have been consistent. Virtually all of the studies show that the COCS ratio is substantially above 1.0 for residential land, demonstrating that residential land is a net drain on local government budgets (Table 1). Logically, the people living in residential development require costly schools, emergency services, police, snowplows, water and sewers, etc. Some of these costs increase with the distance or dispersion from a central hub; for instance, it is more expensive for the community to bus kids to school than to have them walk. As a result, more concentrated residential development may have a more balanced cost-benefit ratio than more dispersed development; the community may subsidize rural subdivisions more than developments closer to the city services. On the other hand, the COCS ratios for the other two land use categories are consistently found to be substantially below 1.0. Open lands may generate less revenue than

residential, commercial or industrial properties, but they require little public infrastructure and few services.

Limitations of COCS Studies

While COCS studies provide an accurate picture of current costs and revenues that indicate what a county could expect from future development, knowing the balance of expenditures and revenues for an entire land class does not allow decision makers to accurately predict the ratio of a *particular* piece of property within that land class. The balance of revenues and expenditures for an individual development may be different than that of the land class as a whole. For instance, a new development may be particularly costly if it requires new infrastructure. Or it may be particularly beneficial if it diffuses the cost of existing infrastructure (Harrison and French, undated). Also, COCS studies analyze the financial operations of a community for just one year, but there is no guarantee that relative costs and revenues will be constant from year to year.

Thus, COCS studies are not meant to judge the long-term public value of any land use or taxing structure. It is up to communities to balance goals such as maintaining affordable housing, creating jobs, and conserving land. Nonetheless, COCS studies provide a budgetary baseline from which to make decisions about the future. Having a quantitative indication of the fiscal costs of different categories of land use can help residents and officials decide how to shape policies for future growth.

Methodology

Determining and allocating expenditures and revenues typically represents the largest task in a COCS study. The practical objective is to get from a list of expenditures and revenues organized by accounting line item (salaries, travel, printing, etc.) to a list organized by broad land use category (commercial/industrial, residential, farms/open space). However, county records are not kept according to land-use classifications, so it

Table 1: Average COCS Ratios for County-Level Studies

COCS Ratio	Agriculture/Open Space	Commercial/Industrial	Residential
Minimum	0.15	0.10	1.05
Maximum	2.04	0.97	2.27
Average	0.50	0.37	1.29

Source: Farmland Information Center, 2007.

is sometimes difficult for officials to estimate how much should be attributed to various land categories. As explained below, “fall-back ratios” can be used in cases where county officials cannot estimate which amounts should be attributed to various categories of land use (Smith and Henderson, 2001).

The approach used here generally follows that used by the American Farmland Trust. County revenue and expenditure data for Fiscal Year 2007 were provided by the County Auditor. These data were then partitioned into the three general land use categories based on Census Bureau data, other COCS studies, and personal interviews with community leaders. Following Greenaway and Sanders (2006), a semi-structured interview process was used, whereby directors and program managers were interviewed with the objective of understanding where each department’s revenues come from and which land use categories use their services, which was often based on staff time spent working in/on each land type.

Because the goal of a COCS study is to assess the total county expenditures and revenues for each land use category, not just the revenues provided through taxation and fees (Greenaway and Sanders, 2006), inter-governmental transfers of funds were included in the analysis. However, no revenues or expenses relating to public education were included in this study since they do not affect county budget/expenses in Pennington County. Table A1 in the Appendix shows how each line item in the revenue data was split, and the rationale behind that split. Table A2 contains the same information for the expenditure data. Additional explanation for some of the proportional allocations is provided next.

Similar to the American Farmland Trust (2003) and Adams et al. (1999), non-tax revenues from things like fines, forfeits, interest, and rent were allocated according to the expenditure fall-back ratios. Following Greenaway and Sanders (2006), all election-related activities were allocated to the residential land use category. Following Smith and Henderson (2001), library expenses were attributed to the Residential category.

Clerk of Courts fees were allocated among land uses based on the proportions of cases that involved businesses and residents. These were based on civil and small claims court cases from FY 2007 which recorded the plaintiff(s) and defendant(s). Cases which involved individuals only were allocated to the Resi-

dential category, whereas cases which involved two businesses were allocated to the Commercial/Industrial category

and cases which involved both a business and an individual were split evenly between the two groups. However, because analyzing all court case records would have been unmanageable, a sampling technique was used for cost efficiency: rather than sorting through every record for the year, every 20th record was examined, which yielded a total of 344 cases.

Emergency and Protective Services

Revenue for the Communication Center, which includes the 911 call center, is generated by a \$0.75 surcharge per telephone line, regardless of the type of phone (cellular or land) or its purpose (business or personal). Although many homes have multiple phone lines (one land line and one or more cellular lines, for instance), many businesses also have more than one phone line. Thus, in the absence of statistics on phone purpose, this revenue was split proportionately according to the number of residential establishments versus non-farm commercial establishments in the county. It is assumed that farm buildings do not have phone lines. However, farmers likely use their home phone line or a cell phone for some business purposes; thus, a small percentage of the allocation given to the Residential category was transferred to the Farm/Open Space category, based on the number of farm buildings relative to the number of residential buildings in the county.

Expenditures of the 911 Emergency Services Communication Center were split according to estimates provided by its Chief Deputy Director. Because the Fire Administration keeps no records regarding the location of fires, these expenditures were split according to estimates provided by the Fire Administrator. The fall-back ratios (discussed below) were used for the remaining category of Emergency and Disaster services.

Highway Fund

For these ratios, we began with data on vehicle miles traveled by purpose from the 2002 Vehicle Inventory and Use Survey for South Dakota (U.S. Census Bureau). These data provide information on the number of miles traveled for farming purposes versus the miles traveled for use in other industries versus the miles traveled for personal transportation.

Pennington County and South Dakota with respect to the proportional amount of land dedicated to residential, commercial/industrial, and farmland use. For example, Pennington County has 3.76 times as many non-farm business establishments per acre as the state as a whole; thus, the state's proportion of vehicle mileage dedicated toward business activity was multiplied by 3.76 to obtain the proportion of business vehicle use for Pennington County.

Drivers License Revenue

For these ratios, we began with data on the number of vehicles by purpose from the 2002 Vehicle Inventory and Use Survey (U.S. Census Bureau). These data provide information on the vehicles used for agriculture versus the number of vehicles used for other industries versus those used for personal transportation.

Again, these data are for the entire state of South Dakota, but not all counties in South Dakota have the same number of vehicles that are used for each of these purposes. Thus, we again combined these data with the fall-back ratios, which give insight into the proportion of each land type for Pennington County and thus serve as a proxy for the number of vehicles used for each purpose.

Fall-Back Ratios

Following Greenaway and Sanders (2006), two sets of fall-back ratios were calculated: *expenditure* fallback percentages and *revenue* fallback percentages. The *revenue* fall-back ratios were based on figures from the Pennington County Department of Revenue and Regulation Annual Report 2007. However, in the Report, land designated as NA-Z is lumped together with other agricultural land, which may result in skewed estimates of the revenue generated by agricultural land. The NA-Z designation refers to agricultural land that has been sold for more than 150% of its agricultural income value. The land carries a higher value and is classified as non-agricultural property for one year, after which it is reclassified as agricultural property and the value will be reduced back to the agricultural

value. Because the NA-Z designation confers a (temporarily) higher value to the land, the land (temporarily) generates more tax revenues than typical agricultural land. Thus, if this land is attributed entirely to the Agricultural/Open Space land use category, it will be *overstating* the revenue that is generated Agriculture/Open Space land. Accordingly, the fall-back ratio for Agriculture/Open Space was adjusted downward slightly. To calculate the expenditure fall-back ratios, each land use category's expenditure values for which we had data were calculated as a percentage of the total expenditures, resulting in the fallback percentage for that land use.

The fallback percentages were then entered for the activities that were inappropriate or had no data. An important point is that only expenditure fallback percentages were entered for expenditure activities that had no data, and only revenue fallback percentages were entered for revenue activities that had no data.

Results and Discussion

The COCS ratios for FY 2007 are displayed in Table 2. The first row of the table shows the amount of revenue generated by the county overall and by each land use category in FY 2007. The second row shows the amount of money the county spent overall and on each land use county in FY 2007. The last row presents the COCS ratios, which are calculated by dividing the revenues for each category by the expenditures for that category.

The first column of data in the table shows county's total expenditures and revenues for FY 2007. The overall COCS ratio represents the costs incurred by the county as a proportion of the revenue generated by the county. An overall COCS ratio of 1.00 implies a perfectly balanced budget where expenditures exactly equal revenues. According to the data used in this study, Pennington County made more expenditures in FY2007 than it generated in revenue. However, the COCS ratio alone does not give a complete picture of a county's overall fiscal health. It must be remembered that the COCS ratios presented here represent the

Table 2: Estimated COCS Ratios for Pennington County for FY2007

	Overall	Farm and Open Space	Commercial and Industrial	Residential
Expenditure	\$55,488,638	\$3,944,515	\$10,833,214	\$40,710,908
Revenue	\$53,980,784	\$4,867,658	\$11,844,452	\$37,281,950
COCS Ratio	1.03	0.81	0.91	1.09

county's fiscal activities in FY 2007, and may not be representative of the county's long-run strategy. For example, while an overall COCS ratio of less than 1.00 may reflect a county's judicious plan to not exceed its budget limits, it may alternatively be the case that the county is using those net revenues to pay off debt from previous years. Similarly, while it may not be desirable to have an overall COCS that is consistently *greater* than 1.00, it may represent a sensible short-run strategy of investing in future growth.

The last three columns of Table 2 display the COCS ratios for each of the three land use categories considered here. These ratios represent the costs incurred by a land category as a proportion of the revenue generated by that land category. For instance, in FY2007,

for every dollar of revenue generated from residential land, \$1.17 was required to cover associated services, while for every dollar spent on farm and open space, 54 cents were required in expenditures.

The ratios calculated here are within the range of those calculated for other counties and towns across the U.S. (see Table 1) and here follow the same overall pattern found by other COCS studies—namely, that, on net, residential land costs relatively more than both agricultural land and commercial/industrial land.

COCS ratios can be expected to vary somewhat across counties because no two counties are identical. Table 4 shows a comparison of COCS ratios for Custer and Pennington counties for FY2007.

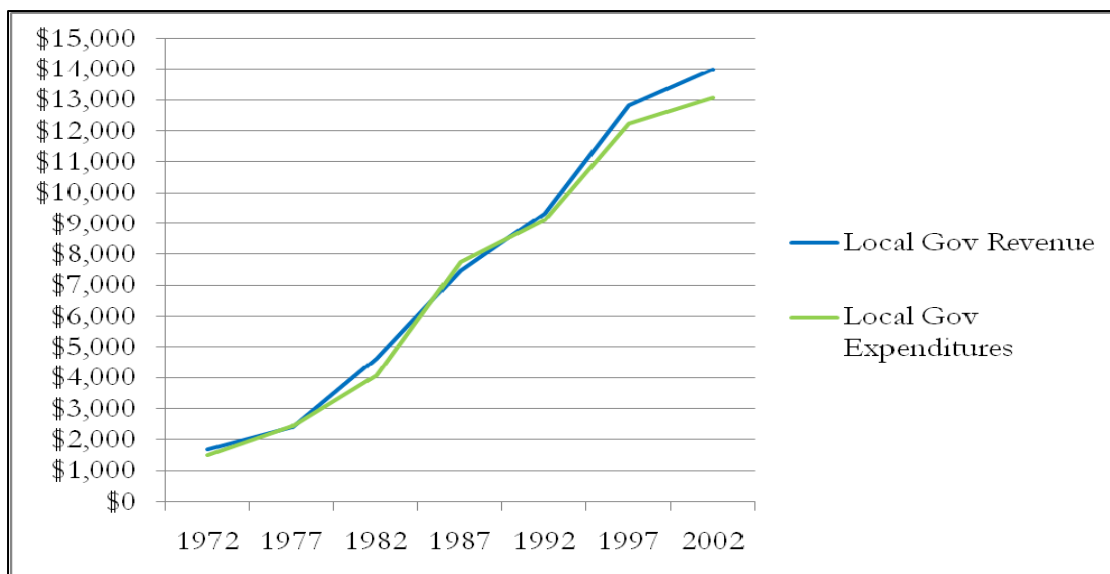


Figure 1: Local Government Revenue and Expenditure in Custer County (USA Counties)

Table 3: Estimated COCS Ratios for Custer County under the Assumption of a Balanced Budget

	Overall	Farm and Open Space	Commercial and Industrial	Residential
Expenditure	\$6,435,669	\$950,118	\$1,095,618	\$4,331,550
Revenue	\$6,435,669	\$1,022,045	\$1,088,808	\$4,290,741
COCS Ratio	1.00	0.93	1.01	1.01

Table 4: A Comparison of COCS Ratios between Custer and Pennington Counties

County	Overall	Farm and Open Space	Commercial and Industrial	Residential
Custer	0.93	0.87	0.94	0.94
Pennington	1.03	0.81	0.91	1.09

The median values of owner-occupied housing units are very similar in Custer and Pennington Counties (\$89,100 and \$90,900, respectively); thus, the difference in the Residential ratios between the two counties may have more to do with types of housing units and the types of people living in them. For instance, property occupied by families with numerous children would be expected to produce a higher ratio due to their use of the educational system (Prindle and Blaine, 1998). In 2000, just 28.5% of households in Custer County had children under the age of 18, compared with 35.3% in Pennington County (USA Counties), which would suggest a lower Residential ratio in Custer County, which was indeed found to be the case.

The Residential ratio represents an average for all residential developments in the county. There is some evidence that whether the Residential ratio is less than or greater than 1.00 depends on the density of the residential development under consideration. While it is typically more cost-effective to provide services to homes that are clustered together, many large lot subdivisions do not have sewer or water infrastructure, and therefore do not require these services from the county, as is the case in Custer County (Green, D., personal communication, October 5, 2009). Lower density residential properties may also generate relatively more revenue due to higher property values (Hood, 2009).

Additionally, there is some evidence that crime rates are higher in areas of high-density housing (Klein, 2005), which would increase the need for police services per household. For example, researchers at North Carolina University found that the risk of property crime was higher in high-density areas and on streets where the majority of the residences were rentals (Klein, 2005). While there are many factors that

influence the crime rate in a region, the higher housing density and higher proportion of rental units in Pennington County may partly explain why Pennington County has historically had a higher crime rate than Custer County (Table 5) and why it has a higher Residential ratio than Custer County.

Temporary or seasonal residents can be another source of variation across counties. Because they do not require services year-round, temporary residents will typically cost the county less money over the course of a year compared to full-time residents. In 2000, only 81.5% of all housing units in Custer County were occupied, compared with 93% of all housing units in Pennington County (USA Counties). And 56% of the vacant homes in Custer County were for seasonal or recreational use, compared to just 37% in Pennington County (U.S. Census Bureau, Census 2000 Summary File 1). Retired persons can have a similar effect: they tend to increase property and sales tax revenue without straining social services such as school systems or criminal justice systems (Chestnutt et al., 1993). Custer County is classified as a retirement destination (Economic Research Service, 2009), and 16.7% of its population is retired, as compared to just 11.9% in Pennington County (USA Counties).

Pennington County had a somewhat higher poverty rate in 2007 (11.5% compared to 9.4% in Custer County), which would suggest somewhat higher expenditures on health and welfare services in Pennington County. Unemployment rates will similarly affect the Residential ratio because unemployed persons will not generate income tax revenue and may require more health and welfare services. However, the counties' unemployment rates were nearly identical in 2007 (2.7% in Pennington County and 2.8% in Custer County).

Table 5: Housing Type, Housing Density, and Crime Rates in Custer and Pennington Counties³

	Percentage of Occupied Housing Units that were Rentals (2000)	Housing Units per Square Mile (2007)	Violent Crimes per Capita (1993)	Property Crimes per Capita (1996)
Custer	23 %	2.3	0.0023	0.0036
Pennington	34 %	13.2	0.0041	0.0517

Source: USA Counties.

³ At the time of publication, these were the most recent complete crime data for these two counties.

In both counties, the ratio for Farm/Open Space was the lowest of the three land types. While other COCS studies, *on average*, have found the Farm/Open Space ratio to be in greater than the ratio for Commercial/Industrial ratio, nearly one-third of all county-level COCS studies conducted through 2007 found the Farm/Open Space ratio to be the lowest (see Farmland Information Center, 2007 for the complete listing of previous COCS results); thus, this finding is not entirely unusual.

When interpreting the commercial/industrial ratios, it is important to understand that this study analyzes the direct impacts of *existing* business in the county. *New* industries can have an indirect effect on a county by creating new jobs in the region, which may in turn increase population, housing, and county government spending over time. Therefore, when deciding whether to develop new business or protect existing ones, existing ones have two clear advantages: they provide surplus revenues to the county and do not contribute to increases in the population (unless expanded). Thus, although not a part of the current analysis, these long-term indirect impacts should also be considered when making land use decisions (Adams, 1999).

Conclusions

COCS studies help address three claims that are commonly made in rural or suburban communities facing growth pressures (Farmland Information Center, 2007):

1. Open lands (including farms and forests) are an interim land use that should be developed to their "highest and best use."

2. Agricultural land gets an unfair tax break when it is assessed at its current use value for farming or ranching instead of at its potential use value for residential or commercial development.
3. Residential development will lower property taxes by increasing the tax base.

While Pennington County's landscape has not yet been dramatically changed by urban development, the County is experiencing rapid growth that is expected to continue for at least another decade. By anticipating some of the impacts of development, the County can plan proactively to achieve balanced growth while protecting the natural resources that are so important to its economy and quality of life.

Developers often tout the tax revenue-generating feature of residential developments (Adams, 1999). However, the outlook will be skewed if the ongoing costs of public services and infrastructure that housing imposes on the community are ignored. The findings of this report do not suggest that all development should be prevented, but rather that careful analysis of the amount, timing, and placement of new development should be undertaken in order to balance the costs of growth with its benefits.

It is important to remember that COCS is a case study method and that every community is different. Many factors contribute to the specific ratios in different communities, so the findings should not be compared dollar for dollar. What is important to consider is their overall pattern and how it relates to the community in question (Adams, 1999). By understanding demands

Table 6: FY2007 COCS Ratios for Custer County Excluding Grant Monies

	Total	Farm/Open Space	Commercial/ Industrial	Residential
Revenue	\$6,154,973	\$839,337	\$1,083,726	\$4,197,834
Expenditure	\$5,815,641	\$812,373	\$1,003,891	\$3,945,013
COCS Ratio	0.94	0.97	0.93	0.94

Table 7: COCS Ratios for Custer County Excluding Grant Monies and Assuming a Balanced Budget

	Total	Farm/Open Space	Commercial/ Industrial	Residential
Revenue	\$6,154,973	\$839,337	\$1,083,726	\$4,197,834
Expenditure	\$6,154,973	\$859,773	\$1,062,466	\$4,175,197
COCS Ratio	1.00	1.02	0.98	0.99

for services in relation to tax revenue generated, informed decisions can be made to balance land uses to the community's best advantage. It appears that preserving Pennington County's farmland and open space would be a sensible economic investment in the County. The demand for public services to these land types is quite low, creating a financial surplus for the county.

Acknowledgments

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Appendix: Allocation of Pennington County Revenues and Expenditures for Fiscal Year 2007

Table A1: Pennington County Expenditures (Fiscal Year 2007)

	Farm and Open Space	Commercial and Industrial	Residential	Allocated According to:
Legislative:				
Board of County Commissioners	\$47,666	\$158,952	\$649,904	Fall-back ratios
Elections	\$0	\$0	\$453,504	Greenaway and Sanders (2006)
Judicial System	\$0	\$127,864	\$141,159	Court case records, as described above
Financial Administration:				
Auditor	\$20,775	\$69,278	\$283,254	Fall-back ratios
Treasurer	\$41,393	\$138,033	\$564,373	Fall-back ratios
ITS	\$53,270	\$177,642	\$726,320	Fall-back ratios
Legal Services:				
State's Attorney	\$0	\$0	\$1,757,830	Service provided for residents
Public Defender	\$0	\$0	\$1,434,113	Service provided for residents
Court Appointed Attorney	\$0	\$0	\$257,860	Service provided for residents
Abused and Neglected Child	\$0	\$0	\$196,479	Service provided for residents
Other	\$34,732	\$115,823	\$473,563	Fall-back ratios
Other Administration:				
General Government Building	\$166,688	\$555,858	\$2,272,725	Fall-back ratios
Director of Equalization	\$54,782	\$182,682	\$746,928	Fall-back ratios
Register of Deeds	\$3,278	\$196,676	\$164,261	Donna Mayer
Other	\$5,565	\$18,558	\$75,877	Fall-back ratios
Law Enforcement:				
Sheriff	\$552,779	\$1,658,336	\$3,316,673	Based on Sheriff Holloway's estimates
County Jail	\$723,097	\$2,169,292	\$4,338,585	Based on Sheriff Holloway's estimates
Coroner	\$11,712	\$35,136	\$70,272	Based on Sheriff Holloway's estimates
County-Wide Law Enforcement	\$84,364	\$253,093	\$506,186	Based on Sheriff Holloway's estimates
Juvenile Detention	\$522,009	\$1,566,028	\$3,132,055	Based on Sheriff Holloway's estimates
Other Law Enforcement	\$315,776	\$947,327	\$1,894,653	Based on Sheriff Holloway's estimates
Protective and Emergency Svcs:				
Fire Protection	\$67,926	\$16,982	\$254,724	Estimates from Denny Gorton
Emergency and Disaster Services	\$49,171	\$163,971	\$670,426	Fall-back ratios
Communication Center	\$45,734	\$114,335	\$2,126,630	Estimates from Ted Ruffedt, Jr.
Highways and Bridges:				
Highways, Roads and Bridges	\$145,232	\$1,955,119	\$3,580,980	Based on vehicle use, as described above

Appendix Table 1A (continued...)

Other Public Works		\$3,120	\$10,403	\$42,536	Fall-back ratios
Economic Assistance:					
Support of Poor		\$0	\$0	\$1,011,470	A service provided for residents
Health Assistance:					
County Nurse		\$0	\$0	\$20,000	A service provided for residents
Health Services		\$0	\$0	\$120,270	A service provided for residents
Ambulance		\$0	\$0	\$2,434	A service provided for residents
Social Services:					
Care of Aged		\$0	\$0	\$20,446	A service provided for residents
Domestic Abuse		\$0	\$0	\$44,165	A service provided for residents
Other		\$0	\$0	\$35,001	A service provided for residents
Mental Health Services:					
Mentally Ill		\$0	\$0	\$728,647	A service provided for residents
Culture:					
Public Library		\$0	\$0	\$398,094	A service provided for residents
County Fair		\$176,284	\$0	\$176,284	Attended by farmers and residents
Soil Conservation:					
County Extension		\$5,131	\$10,261	\$87,219	Based on estimates from Brenda Biberdorf, from Extension
Soil Conservation Districts		\$58,356	\$0	\$0	Erosion control. Needed mostly in open spaces
Predator Control Districts		\$3,830	\$0	\$0	Mainly for coyote control. Needed mostly in open spaces.
Weed and Pest Control		\$164,427	\$10,793	\$40,635	Based on estimates from Scott Duffy
Water Conservation:					
Drainage Commissions		\$0	\$11,653	\$47,646	\$59,300
Urban Development:					
Planning and Zoning		\$1,015	\$27,396	\$297,096	Based on building permits, as discussed above
Other		\$66	\$1,771	\$19,206	Based on building permits, as discussed above
Economic Development:					
Tourism, Industrial or Recreational		\$86	\$2,315	\$25,100	Based on building permits, as discussed above
Debt Service		\$128,611	\$428,883	\$1,753,566	Fall-back ratios
Capital Outlay		\$329,347	\$1,098,283	\$4,490,525	Fall-back ratios
Total Expenditures		\$2,627,564	\$10,589,106	\$42,271,968	--

Table A2: Pennington County Revenues (FY 2007)

	Farm and Open Space	Commercial and Industrial	Residential	Allocation According To:
Taxes:				
General Property Taxes--Current	\$2,921,549	\$7,677,831	\$18,616,110	Fall-back ratios
General Property Taxes--Delinquent	\$27,776	\$72,995	\$176,987	Fall-back ratios
Penalties and Interest	\$7,578	\$19,916	\$48,289	Fall-back ratios
Telephone Tax (Outside)	\$0	\$166,125	\$0	This is a real estate tax paid by the telephone company on property it owns outside of city limits.
Mobile Home Tax	\$0	\$0	\$88,308	Mobile homes are owned by residents
911 Telephone Surcharge	\$17	\$95	\$1,097	\$0.75 surcharge per phone line. Thus, the split is based on number of buildings of each type in the county
Tax Deed Revenue	\$11	\$652	\$545	Estimates from Registrar of Deeds
Other Taxes	\$123	\$323	\$783	Fall-back ratios
Licenses and Permits:	\$1,233	\$203,065	\$84,858	Based on data from County Auditor
Intergovernmental Revenue:				
Federal Grants	\$241,457	\$0	\$1,545,542	Based on data from County Auditor
Federal Shared Revenue	\$624,394	\$0	\$31,927	Based on data from County Auditor
Federal Payments in Lieu of Taxes	\$41,791	\$139,360	\$569,799	Money paid for Federally-owned land, goes to General Fund for various purposes. Used fall-back ratios
State Grants	\$852	\$2,841	\$11,617	Main uses: Jail, Homeland Security, Sheriff's Office. Not used for forest land. Used fall-back ratios
State Shared Revenue:				
Bank Franchise	\$0	\$264,626	\$0	Banks are businesses
Motor Vehicle Licenses	\$83,385	\$276,049	\$2,801,258	2002 Vehicle Inventory and Use Survey
Inheritance Tax	\$0	\$0	\$12,946	Residents receive inheritances
Liquor Tax Reversion	\$0	\$795	\$0	A service used by businesses
Court Appointed Attorney/PD	\$0	\$0	\$154,860	A service used by residents
Prorate/Port of Entry Fees	\$0	\$352,804	\$0	A service used by businesses

Appendix Table A2: (Continued...)

Abused/ Neglected Child	\$0	\$0	\$0	\$31,972	A service used by residents
85% Mobile Home	\$0	\$0	\$0	\$55,190	Residents own mobile homes
Secondary Road MV monies	\$107,609	\$0	\$0	\$685,683	Secondary roads are primarily located in rural/open space areas
Telecommunications Gross Rec	\$53,104	\$139,558	\$338,379		This is a <i>pro rata</i> tax paid by the State. Because it goes into the General Fund, I used fall-back ratios for this item.
Other State Shared Revenue	\$5,362	\$14,091	\$34,166		Fall-back ratios
Other Payments in Lieu of Taxes	\$1,100	\$3,667	\$14,992		Fall-back ratios
Other Intergovernmental Revenue	\$71,292	\$237,740	\$972,043		Fall-back ratios
Charges for Goods and Services:					
General Government:					
Treasurer's Fees	\$14,592	\$38,347	\$92,978		Include liens, tax certificate fees, commercial license fees, postage fees for vehicle licenses, copy fees, rotary fees, and more. Fallback ratios were used.
Register of Deeds' Fees	\$7,895	\$473,708	\$395,634		Based on estimates from Donna Mayer (Register of Deeds)
Driver's License Exam	\$0	\$42	\$583		Fall-back ratios
Legal Services	\$0	\$11,045	\$12,193		Court case records, as described above
Clerk of Courts Fees	\$0	\$80,606	\$88,987		Based on number of driver's licenses issued by type (SD DOT)
Other Fees	\$13,026	\$34,233	\$83,004		Fall-back ratios
Public Safety:					
Law Enforcement	\$110,331	\$289,951	\$703,032		Fall-back ratios
Prisoner Care	\$0	\$0	\$4,747,088		Residents are imprisoned
Other	\$364,965	\$959,128	\$2,325,558		Fall-back ratios
Public Works:					
Other	\$5,323	\$13,989	\$33,919		Fall-back ratios

Appendix Table A2: (Continued...)

Health and Welfare:					
Poor Lien Recoveries	\$0	\$0	\$472,878	A service used by residents	
Veterans Service Officer	\$0	\$0	\$3,750	Residents use and pay for these services	
Health Assistance:				Residents use and pay for these services	
Mental Health Services	\$0	\$0	\$31,926	Residents use and pay for these services	
Conservation of Natural Resources	\$41,126	\$2,699	\$10,163	These are State and Federal funds for weed and pest control.	
Other Charges	\$11,551	\$30,356	\$73,604	Fall-back ratios	
Fines and Forfeits:					
Fines	\$28	\$72	\$175	Fall-back ratios	
Costs	\$15,861	\$41,684	\$101,069	Fall-back ratios	
Forfeits	\$242	\$636	\$1,542	Fall-back ratios	
Miscellaneous Revenue:					
Investment Earnings	\$92,179	\$242,245	\$587,362	Fall-back ratios	
Rent	\$5	\$13	\$32	Fall-back ratios	
Special Assessments	\$397	\$1,043	\$2,529	Fall-back ratios	
Contributions and Donations	\$5,675	\$14,915	\$36,164	Fall-back ratios	
Refund of Prior Year's Expenses	\$668	\$1,755	\$4,255	Fall-back ratios	
Other	\$24,278	\$63,803	\$154,700	Fall-back ratios	
Total Revenue	\$4,867,658	\$11,844,452	\$37,281,950		